

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB-10-0615-2747  
ELECTIONS: CBM Unit C-38  
(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992 at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirements of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on September 8, 2011, and recorded as Instrument No. 110002363 in the Office of the Clerk of the Circuit Court for Buchanan County, Virginia on September 27, 2011, (herein "Board Order") and (2) to complete the record regarding elections. The Board Order established a drilling unit and pooled all interests in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 *et seq.*, Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed GeoMet Operating Company, Inc. (herein the "Designated Operator"), to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by said Board Order;
  - (b) The Designated Operator, through its agent S.T. Mullins, Esquire, filed its affidavit of mailing dated October 13, 2011, disclosing that it

had mailed a correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

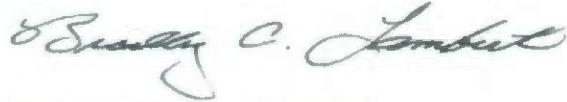
- (c) The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated March 8, 2015, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.7C (herein "Affidavit of Elections" annexed hereto), wherein it has, for each Respondent whose interests, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election(s) made, if any; and (iii) whether, by reason of failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Designated Operator;
  - (d) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, The First Bank and Trust Company, 38 East Valley Street, Bristol, Virginia 24201; Telephone: (276) 466-9222 Attn: Kenneth Lovelace, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated July 18, 2006. The Affidavit of Elections indicates that the escrow of funds **is not required** with regard to Well No. C-38 CBM Unit.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at Paragraph 2 above, to the extent escrow was required and to the extent it pertained to the elections and interests of the Respondents who have entered into a royalty split agreement and no longer require escrow of any funds, the Applicant is hereby directed to provide the Board with reconciliation of its and the Escrow Agent's records so that any funds affected by this Order may be disbursed in an appropriate manner.
  4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Supplemental Order stating that a true and correct copy of this Supplemental Order was mailed within seven (7) days from the date of

receipt of this Supplemental Order to each Respondent whose address is known.

5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED**.
6. Effective Date: This Amended Supplemental Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

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DONE AND EXECUTED this 12 day of June, 2015 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

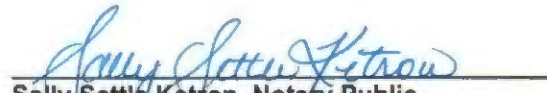
DONE AND PERFORMED this 12 day of June, 2015 by Order of the Virginia Gas and Oil Board.



Rick Cooper  
Principal Executive to the  
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 12th day of June, 2015, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

  
Sally Settle Ketron, Notary Public  
7623162

My Commission expires: January 31, 2019



**VIRGINIA:****BEFORE THE VIRGINIA GAS AND OIL BOARD**

IN RE: Application of GeoMet Operating Company, Inc. for the Forced Pooling of Interests in CBM Unit C-38, Docket No. VGOB-10-0615-2747 in the Garden District, Patterson Quadrangle, Buchanan County, Virginia.

AFFIDAVIT OF MCKINNIS & SCOTT, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

Timothy E. Scott (herein Affiant), being duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of MCKINNIS & SCOTT, the Agent for the Designated Operator, with offices located at 135 W. Main Street, Suite 200, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on September 8, 2011, by the Virginia Gas and Oil Board regarding the captioned coalbed methane gas unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed and recorded copy of the Order referred to at Paragraph 2, above, Designated Operator was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender written notice of their election of the option selected under Paragraph 9 of the Order to the Designated Operator within thirty (30) days from the date of receipt of a copy of the recorded Order;
5. That the Designated Operator has established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any,



made with regard to Subject Drilling Unit; that the following persons or entities delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day elections period:

NONE

6. That the interest and/or claims of the following persons or entities (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, as unknown or unlocatable:

NONE

7. That after the pooling hearing held in the captioned matter, the following persons or entities have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims:

NONE

8. That the Designated Operator with regard to persons previously requiring the services of the Escrow Agent have now reached an agreement regarding their interests or claims that allows Applicant/Designated Operator to make royalty distribution without the need to escrow funds which would otherwise be in conflict:

NONE

9. That the Respondents identified in Exhibit B-3 hereto have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective coalbed methane rights, interests and claims shall be deemed to have leased to Applicant/Designated Operator pursuant to and in accordance with Paragraph 10 of the Board Order dated October 8, 2009:

See Exhibit B-3

10. The Designated Operator requests that the following persons be dismissed as Respondents:

NONE

That pursuant to the provisions of 4VAC 25-160.70.A.10 and .C and VAC 25-160-80, annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed amended

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supplemental order sets forth that the services of the Escrow Agent **are not required** in this matter pursuant to the terms of §§ 45.1-361.21.D and 45.1-361.22.A.3 and .4.

Dated at Kingsport, Tennessee, this 8<sup>th</sup> day of March, 2015.

Timothy E. Scott  
Timothy E. Scott, Affiant

Taken, subscribed and sworn to before me by Timothy E. Scott, the Agent for GeoMet Operating Company, Inc., on behalf of the corporation, this 8<sup>th</sup> day of March, 2015.

Glenda T. Venable  
Notary Public

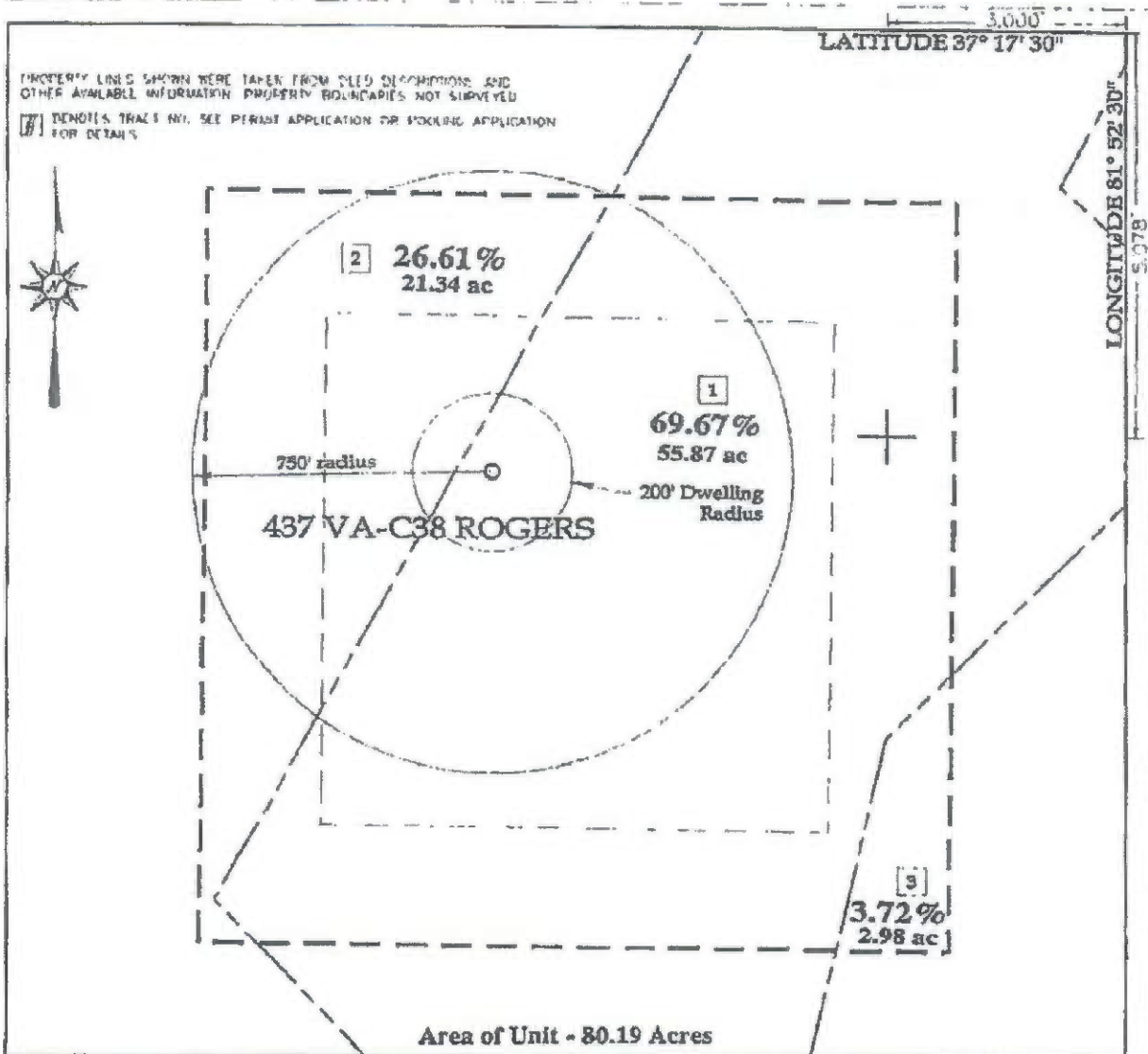
My commission expires: 10/21/2015

[f:\msword2000\atlas 2015\pooling.C-38.supportorder&aff amended]



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"EXHIBIT A"



## WELL LOCATION PLAT

COMPANY: GEOMET OPERATING COMPANY WELL NAME OR NUMBER: 437 VA-C38 ROGERS

TRACT NUMBER: LBR HOLDINGS, LLC (TR-69) SCALE: 1" = 400' DATE: 5/6/10

COUNTY: BUCHANAN DISTRICT: GARDEN QUADRANGLE: PATTERSON

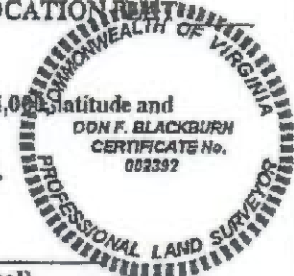
THIS IS A NEW PLAT \_\_\_\_\_ ; AN UPDATED PLAT \_\_\_\_\_ ; OR A FINAL LOCATION PLAT \_\_\_\_\_

POOLING PLAT x

- + Denotes the location of a well on United States Topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.
- Denotes approximate proposed well location. Coordinates yet to be determined.

Form DGO-00-7  
Rev. 1/98

*Don F. Blackburn*  
Licensed Professional Engineer or Licensed land surveyor (Affix Seal)





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Well Name : 437 VA-C38 Rogers

Pooling Plat Attachment A

Plat Tract Number	Owners	Percentage Ownership
1.) <u>69</u>	<u>LBR Holdings, LLC</u>	<u>55.87 ac. ~ 69.67% of 80.19 ac.</u>
2.) <u>68</u>	<u>LBR Holdings, LLC</u>	<u>21.34 ac. ~ 26.61% of 80.19 ac.</u>
3.) <u></u>	<u>Mullins / Valdo</u>	<u>2.98 ac. ~ 3.72% of 80.19 ac.</u>

Location Description: Approximately 2.86 Miles southwest of State Route 635jct. w/ State Route 616 and 2.72 miles northeast of State Route 654 W/State Route 638.

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EXHIBIT B-3  
PARTIES WHO HAVE NOT REACHED AGREEMENT WITH OPERATOR  
ROGERS 437 CBM UNIT C-38  
VGOB DOCKET NOS. Original: 06-1114-1805  
New: 10-0615-2747

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN GROSS ACREAGE</u>	
			<u>UNIT</u>	<u>IN UNIT</u>
<u>Gas Estate Only</u>				
<u>Tract 3</u> Grat McDonald Mullin, et al. Tract	Grat McDonald Mullin 479 Tivoli Drive Jacksonville, FL 32259	Leased- Appalachian	0.930000%	0.745767
	Roberts S. Mullin, Jr. 1588 Leaning Oak Road Boones Mill, VA 24065	Leased- Appalachian	0.930000%	0.745767
	Alex R. Valdo and Marguerite M. Valdo, Trustees 10541 East Cedar Waxwing Drive Sun Lakes, AZ 85248	Leased- Appalachian	1.860000%	1.491534
Subtotal:			3.720000%	2.983068
Percentage of Unit Unleased - Gas Estate			3.720000%	
Acreage in Unit Unleased - Gas Estate				2.983068

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EXHIBIT B-3  
PARTIES WHO HAVE NOT REACHED AGREEMENT WITH OPERATOR  
ROGERS 437-CBM UNIT C-38  
VGOB DOCKET NOs. Original: 06-1114-1805  
New: 10-0615-2747

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Coal Estate Only</u>				
<u>Tract 3</u> Grat McDonald Mullin, et al. Tract	Grat McDonald Mullin 479 Tivoli Drive Jacksonville, FL 32259	Leased- Appalachian	0.930000%	0.745767
	Roberts S. Mullin, Jr. 1588 Leaning Oak Road Boones Mill, VA 24065	Leased- Appalachian	0.930000%	0.745767
	Alex R. Valdo and Marguerite M. Valdo, Trustees 10541 East Cedar Waxwing Drive Sun Lakes, AZ 85248	Leased- Appalachian	1.860000%	1.491534
	Subtotal:		3.720000%	2.983068
	Percentage of Unit Unleased - Coal Estate		3.720000%	
	Acreage in Unit Unleased - Coal Estate			2.983068

INSTRUMENT #150001036  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
JULY 6, 2015 AT 09:50AM  
BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB